

FEBRUARY 28, 2012

# Privacy Impact Assessment

DIRECTORY DATABASE



Consumer Financial  
Protection Bureau

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# Document purpose

The Privacy Impact Assessment, or “PIA”, provides the public with information about the Consumer Financial Protection Bureau’s (“CFPB”) collection and use of personally identifiable information (“PII”). PII is any information “that can be used to distinguish or trace an individual’s identity”<sup>1</sup> like a name, address, Social Security number, or place and date of birth. The CFPB uses PIAs to document that the PII it collects is used, secured, and destroyed in a way that protects each individual’s privacy. Each PIA is broken out into sections that reflect the CFPB’s Privacy Principles. The CFPB’s Privacy Principles are a set of nine rules the CFPB follows when it collects or uses PII.

## Overview

### PROJECT / SYSTEM NAME:

Directory database

### PROJECT/SYSTEM INCLUDES INFORMATION ABOUT:

- Federal Employees
- Contractors
- Consultants
- The Public

### PROJECT/SYSTEM INCLUDES:

- Name and other biographic information (e.g. date of birth)
- Contact Information (address, zip-code, telephone number, email address)
- Social Security Number or other identifier
- Financial Information
- User and Online Information
- Third Party Information
- Other Information (including biometric information and health or medical information)

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Act”), Public Law No. 111-203, Title X, established the CFPB. The CFPB administers, enforces, and implements federal consumer financial protection laws, and, among other powers, has authority to protect consumers from unfair, deceptive, and abusive practices when obtaining consumer financial products or services.

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<sup>1</sup> Office of Management and Budget (OMB) Memorandum 07-16, Safeguarding Against and Responding to the Breach of Personally Identifiable Information, May 22, 2007, (OMB M-07-16) defines PII as information which can be used to distinguish or trace an individual's identity, such as his or her name, social security number, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.”

The CFPB built the Directory Database as a single, agency-wide repository of identifying, contact, and registration information about organizations under the Bureau's authority. The Directory Database will ensure consistent information across the agency and allow the CFPB to carry out its supervisory, enforcement, and regulatory authorities in an efficient and effective manner.

Information in the Directory Database is acquired from a variety of sources. Once collected, the information is formatted into a standardized form that is used for all similar data across the Bureau. Formatting the data for standardization allows for:

- The information to be accepted and understood by a wider audience within the Bureau;
- Faster incorporation of new information into the Directory Database and related systems;
- A reduction in the amount of information (and the space needed to store it) by eliminating redundant information or information that is only different in style;
- Staff to spend more time working on other duties rather than searching for or formatting information for comparison or reference; and
- An increase in the quality of decision making because information is valid and reliable.

Information that is standardized and available in the Directory Database is then "tagged" in such a way as to track its source (where it came from), as well as the other CFPB systems the information belongs in, and which CFPB employees have a need-to-know the information in the performance of their job functions.

This system is also documented in a System of Records Notice (SORN), CFPB.007 – Directory Database [76 FR 45763].

## SECTION 1.0

# Purpose of collection

The CFPB will state the purpose and legal authority for collecting personally identifiable information (“PII”).

### 1.1 Why is the information being collected?

The CFPB collects and maintains PII in the Directory Database to provide the Bureau with a central repository of identifying, contact, and registration information about organizations under its authority.

### 1.2 What legal authority and/or agreements allow the information to be collected?

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Act), Public Law No. 111-203, Title X. Specifically, Pub., L. No. 111-203, Title X, Sections 1011, 1012, 1021, codified at 12 U.S.C. §§ 5491, 5492, 5511 grants authority for the CFPB Directory Database.

### 1.3 Is the information searchable by a personal identifier – like a name or Social Security number? If so, what Privacy Act System of Records Notice(s) apply/applies to the information being collected?

Yes. Information in ConsumerFinance.gov is searchable by PII, including:

- Name;
- Age and date of birth;
- Contact information such as address, email address, and phone number;
- Social Security number (SSN), alien number, passport number, driver’s license or state identification number, or other unique number used to establish identity of the owner or responsible person)

The CFPB System of Records Notice, CFPB.007 - Directory Database documents the collection of information that populates this system.

### 1.4 Is there a records retention schedule that has been approved by the National Archives and Records Administration (“NARA”) for the information system(s)? Explain how long and for what reason the information is retained.

The CFPB maintains computer and paper records indefinitely until NARA approves the CFPB’s records disposition schedule. Records that fall under a general records schedule will be disposed of according to the applicable schedule.

### 1.5 Are there any forms or surveys that are associated with the collection of the information that would be covered by the Paperwork Reduction Act (“PRA”)?

The Directory Database does not use a form subject to PRA requirements to collect information for the system.

1.6 Are there any privacy risks for this system that relate to the purpose of the collection? If so, how will the CFPB mitigate these risks?

There are no identifiable risks associated with the purpose of this system.

## SECTION 2.0

# Openness and transparency

The CFPB will be open and transparent. We should tell individuals about the PII we collect and how we will protect it, use it, and share it. We will provide an easy way for individuals to learn about what is happening to their PII.

2.1 Will individuals be given notice prior to the collection of personal information about them? If not, please explain.

When the CFPB collects PII about a financial institution's employees, it will often collect such information directly from those individuals. However, the CFPB may also collect PII from third parties, including existing federal databases and other agencies responsible for related regulatory functions. In such cases, individuals may not receive actual notice that the CFPB has collected information about them. However, this PIA and the associated SORN, CFPB.007 –Directory Database, provide constructive notice of the CFPB's information collection practices.

2.2 Will individuals be given notice prior to their information being shared? If not, please explain.

The CFPB has published this PIA and the associated SORN, CFPB.007 – Directory Database, to provide notice of how information stored in the Directory Database may be disclosed or shared.

2.3 Are there any privacy risks for this system that relate to openness, and transparency? If so, how will the CFPB mitigate these risks?

There are no identifiable risks associated with openness and transparency for this system.

## SECTION 3.0

# Data minimization

The CFPB will limit the collection of PII to what is needed to accomplish the stated purpose for its collection. The CFPB should keep PII only as long as needed fulfill that purpose.

3.1 Whose information is included in the system?

The Directory Database includes PII about employees or others associated with institutions under the authority of the CFPB, including:

- Individuals who own or control organizations that offer or provide consumer financial products or services;
- Current and former directors, officers, employees, shareholders, agents, and independent contractors of such organizations;
- Other related persons, as necessary, including, but not limited to, persons who have personal financial arrangements with those described above or serve as representatives or counsel of those described; and
- Individuals who provide information on those described above or organizations as described above, such as employees of the state attorneys general.

### 3.2 What PII will the system include?

The Directory Database includes PII regarding employees or others associated with institutions under the CFPB's authority, including:

- Name;
- Age and date of birth
- Contact information such as address, email address, and phone number;
- Social Security number (SSN), alien number, passport number, driver's license or state identification number, or other unique number used to establish identity of the owner or responsible person; and
- Title, position, or other identifying information about the person as it relates to their association with an organization.

### 3.3 Why is the collection and use of the PII necessary to the project or system?

The collection of information about individuals who own and operate organizations subject to the CFPB's jurisdiction is necessary for the CFPB to carry out its statutory responsibilities to supervise, regulate, and enforce the consumer financial protection laws with respect to these organizations and to do so in an efficient manner.

### 3.4 Will the system aggregate previously unavailable data about the individual or create new data about the individual? If so, how will this data be maintained and used?

The system will not aggregate any data nor create new data about individuals.

### 3.5 What controls exist to protect the consolidated data and prevent unauthorized access?

The system does not consolidate or aggregate any data, nor create new data about individuals.

### 3.6 Will the system monitor the public?

The system does not monitor the public.

### 3.7 Will the system monitor employees or contractors?

The system includes information about CFPB employees, specifically information about their job function at the Bureau and their levels of access to the Directory Database.

### 3.8 What kinds of reports can be produced on individuals? Will the data included in the reports produced be made anonymous?

The CFPB may generate reports from the Directory Database as necessary. For example, such reports may include a list of names and contact information for organizations under the CFPB's supervision, or a list of registered depository institutions under the CFPB's authority in a specific area of the country.

The Bureau distributes its reports internally only to employees with a bona fide need for such reports to carry out their assigned job responsibilities. Even then, CFPB employees only have access to the PII contained within these reports to the extent that they need to see it to perform their jobs.

Externally, the Bureau may disclose reports to a limited group of employees at an institution being supervised and, as necessary, to other state and federal agency employees whose job functions allow them to review the information contained in such reports. All reports distributed externally will be appropriately protected and securely transmitted.

### 3.9 Are there any privacy risks for this system that relate to data minimization? If so, how will the CFPB mitigate these risks?

There are no identifiable risks related to data minimization associated with this system.

## SECTION 4.0

# Limits on uses and sharing of information

The CFPB will publish a notice about how we plan to use and share the PII that we collect from you. We will only share your PII in ways that are compatible with the notice or as stated in the Privacy Act.

### 4.1 Is the information in the project limited to only the information that is needed to carry out the purpose of the collection?

While the Bureau does not request unnecessary information, PII not directly related the Bureau's supervision, enforcement or other regulatory authority may be received from institutions or individuals

when collecting information for the Directory Database. Section 3.9 discusses this risk and the CFPB's strategy for mitigating it.

4.2 Will the CFPB share any of the information with other individuals, Federal and/or state agencies, or private sector organizations? If so, how will the CFPB share the information?

The CFPB may share PII from the Directory Database externally, under certain circumstances, through secure channels, such as encrypted email, with appropriate data sharing agreements in place.

The CFPB has outlined the ways in which information from the SES may be shared externally under the "Routine Uses" section of its SORN, CFPB.007 –Directory Database.

Internally, the CFPB shares information from the Directory Database as set forth in Section 3.8 above.

4.3 Is the information collected directly from the individual or is it taken from another source?

A large portion of the PII the CFPB collects for the Directory Database relates to individuals in their business capacity and is collected from individuals themselves or from the institutions with which they associate. The CFPB may also collect information from third-party sources, including other federal and state agencies with a related or similar function, including:

- The Federal Reserve National Information Center ("NIC") Database: A central repository of data about banks and other institutions for which the Federal Reserve has a supervisory, regulatory, or research interest, including both domestic and foreign banking organizations operating in the United States.
- The Financial Crimes Enforcement Network ("FinCEN") Web Currency and Banking Retrieval System ("Web CBRS"): FinCEN is the bureau of the United States Department of the Treasury that collects and analyzes information about financial transactions in order to combat money laundering, terrorist financiers, and other financial crimes.
- The Nationwide Mortgage Licensing System ("NMLS"): A web-based system that requires state licensed mortgage loan originators and mortgage brokers to register, apply for, amend, update or renew a license online.

State regulators and state attorneys general will also provide information for the Directory Database. Some non-depository institutions (such as payday lenders, private student lenders, debt collection agencies, etc.) are only registered at the state level. No comprehensive national registration of these types of non-depository institutions exists because there is a great variation in industry definitions and corresponding registration requirements from state-to-state.

The CFPB will also identify financial products and service providers through a variety of other channels, including third party research, social media, consumer inquiries or complaints, correspondence from the public, etc. The CFPB will not exclusively rely upon the data it gathers from these sources; rather, it will use the data to confirm the accuracy of information gathered from other sources.

4.4 Will the project interact with other systems, whether within the CFPB or outside of the CFPB? If so, how?

The Directory Database is the Bureau's central repository of information about organizations under the authority of the CFPB. Other systems within the CFPB may connect to or derive information from the Directory Database to perform any of their functions, like supervision, enforcement, or consumer education and engagement.

Currently, the Directory Database does not connect to systems external to the CFPB. In the future, the CFPB anticipates incorporating elements of the NMLS into its own Directory Database, but for the time being it will limit data collection from that system to manual extracts and uploads. The CFPB will document any future enhancements to the Directory Database, including external facing connections, in future PIA updates for the system.

4.5 Are there any privacy risks for this project that relate to use limitation? If so, how will the CFPB mitigate these risks?

There are no risks associated with use limitation for this system.

## SECTION 5.0

# Data quality and integrity

The CFPB will make reasonable efforts to ensure that all PII it maintains is accurate, relevant, timely, and complete.

5.1 How will the information collected be verified for accuracy and completeness?

The CFPB presently gathers the information from federal, state, and local data sources and does not take steps to verify the accuracy or completeness of such data. Moving forward, however, this the CFPB will obtain much of its information directly from supervised financial institutions and individuals through various registration channels that it operates or participates in. The CFPB will attempt, where practicable to verify the accuracy and completeness of such information by contacting supervised institutions and individuals or by using third party data sources.

The CFPB also offers a means through the Privacy Act for individuals to amend or correct CFPB records that pertain to them. Information about Privacy Act requests is available in the CFPB SORNs associated with this system, and at <http://www.consumerfinance.gov/foia>.

5.2 Are there any privacy risks for individuals whose information is collected or used by the project that relate to data quality and integrity? If so, how will the CFPB mitigate these risks?

There is a risk that information contained in the system may be erroneous, incomplete, or outdated. Section 5.1 outlines how the CFPB will mitigate this risk.

## SECTION 6.0

# Security

The CFPB must protect PII from loss, unauthorized access or use, destruction, modification, or unintended or inappropriate disclosure.

6.1 Who will have access to the data in the project? What is the authorization process for access to the project?

The CFPB restricts internal access to the Directory Database to employees or contractors of the Bureau who have a bona fide need for such access to carry out their assigned job responsibilities. For data that is tagged for use in connected internal systems, information access is restricted based on a need-to-know basis.

As a general matter, the CFPB grants Directory Database access only to authorized personnel who have been issued non-transferrable access codes and passwords and have completed appropriate training on confidentiality and privacy. Some of the information in the Directory Database may also be maintained in locked file cabinets or rooms with access limited to those personnel require access as part of their official duties.

6.2 Has the CFPB completed a system security plan for the information system(s) supporting the project?

The CFPB has completed a system security plan for the Directory Database. The system was determined to be at the moderate impact level in accordance with the Office of Management and Budget Circular A-130, Appendix III.

6.3 How will the system be secured?

The CFPB issues authorized personnel non-transferrable access codes and passwords to systems which derive information from the Directory Database as required to fulfill their official duties. Moreover, data is “tagged” in such a way as to limit access of information in the system to employees and users based on their need-to-know the information in the performance of their duties, since access to all information included in the Directory Database may not be necessary for all CFPB employees. Codes and passwords for individual systems are only issued after employees have completed confidentiality and privacy training.

6.4 Are there mechanisms in place to identify security breaches? If so, what are they?

The CFPB relies on the Treasury Department’s directives related to security and privacy incidents. The CFPB is developing supplemental interim incident-reporting materials, and, upon moving onto its own network infrastructure, will issue new directives related to security and privacy incidents.

6.5 Are there any privacy risks for this system that relate to security? If so, how will the CFPB mitigate these risks?

There is a risk that unauthorized individuals may gain access to the information in the Directory Database. The CFPB has mitigated this risk by only granting access to the system to authorized users who, based on their need to know, will be restricted to the minimal amount of data required or appropriate to carry out their assigned job responsibilities. Access is terminated or reduced as necessary should the employee or contractor no longer have a need to know the information, change job functions, is terminated or resigns.

## SECTION 7.0

# Individual participation

The CFPB will give individuals, in most cases, the ability to access their PII, and allow them to correct or amend their PII if it is inaccurate.

7.1 What opportunities are available for individuals to consent to uses, decline to provide information, or opt out of the project? If no opportunities are available to consent, decline or opt out, please explain.

In some cases where information collection is voluntary, the CFPB collects information directly from an individual, and in doing so, provide notice and the choice to opt out of the collection. In other cases where information collection is mandatory, the CFPB does not offer individuals an opportunity to opt out.

Additionally, the CFPB collects some of its information from financial institutions and third parties and in such cases, it does not provide opportunities for individuals to decline to provide information.

7.2 What procedures will allow individuals to access their information?

The CFPB provides a means through the Privacy Act for individuals to access, amend, or correct their records at their request. Information about Privacy Act requests is available in the SORN, CFPB.007 – Directory Database, and at <http://www.consumerfinance.gov/foia>.

7.3 Can individuals amend information about themselves in the system? If so, how?

The CFPB provides a means through the Privacy Act of amending or correcting your information in the Directory Database, which is described above in Section 7.2.

7.4 Are there any privacy risks for this system that relate to individual participation? If so, how will the CFPB mitigate these risks?

There is a risk that some individuals may not have the opportunity to decline to provide information to the Directory Database.

This risk is acceptable because the collection of some information contained in the Directory Database is mandated by the Dodd-Frank Act or is pursuant to other applicable laws and regulations. Individuals are provided an opportunity to access, amend or correct their records through the process described in Section 7.2.

## SECTION 8.0

# Awareness and Training

The CFPB will train all personnel about the proper treatment of PII.

8.1 Describe what privacy training is provided to users, either generally or specifically relevant to the project.

The CFPB offers privacy and security training to all employees of the CFPB, including contractors who handle PII on behalf of the CFPB.

8.2 Are there any privacy risks for this system that relate to awareness and training? If so, how will the CFPB mitigate these risks?

There are no identifiable risks associated with awareness and training for this system.

## SECTION 9.0

# Accountability and auditing

The CFPB is accountable for complying with these principles. We will regularly check that we are meeting the requirements and take appropriate action if we are not doing so.

9.1 How does the system ensure that the information is used in accordance with the stated practices in this PIA?

The CFPB provides its employees with appropriate privacy and security training to ensure information is used and secured appropriately. The CFPB has also implemented a rigorous set of security controls for the Directory Database, and has limited access to those CFPB employees with a clearly defined business need to know the information. Further, data contained in the Directory Database is “tagged” in a way that limits its access to employees with a specified need-to-know specific pieces of information based on their role or responsibilities at the CFPB.

Additionally, all CFPB systems, including the SES, are subject to periodic external audits to ensure that the CFPB protects and uses information appropriately.

9.2 Are there any privacy risks for this system that relate to accountability and auditing? If so, how will the CFPB mitigate these risks?

There are no identifiable risks associated with accountability and auditing for this system.